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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/732,482	12/07/2000	Rabindranath Dutta	AUS920000856US1	3172

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EXAMINER

DASS, HARISH T

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 03/25/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/732,482

Applicant(s)

RABINDRANATH DUTTA

Examiner

Harish T Dass

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 07 December 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-39 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-39 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 7-8 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural

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phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the

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"technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

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§101 rejection finding the claimed invention to be non-statutory. See Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 1, 7-8 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology.

Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts; for example: "computer is used to calculate average ..."

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-2, 6-39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Woolston (US 6,202,051).

Re. Claim 1, Woolston (US 6,202,051) discloses a method, apparatus and readable medium (CD-ROM) for an auctioning of an uniquely identified item for sale by an electronic network [see entire document particularly, Abstract; Figures; C1 L1 to C2 L2; C5 52 to C6 L49; C20 L13; claims] and receiving a transaction message from a seller, wherein the transaction message comprises a description of goods to be transferred

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during a transaction between a seller of the goods and a buyer of the goods [see entire document particularly, Abstract; Woolston – Fig. 13, C10 L9-L25; C20 L32-L42]; creating a transaction tag (bar code) to be associated with the goods during the transaction, wherein the transaction tag uniquely identifies the goods in the transaction [C15 L53 to C6 L2; C17 L37-L67; abstract]; sending the transaction tag to the seller (posting terminal which is seller) [C4 12-L16; C16 L19-20]; receiving, from the seller, a digital image to be associated with the transaction, wherein the digital image comprises an image of the goods on which the transaction tag has been attached, the transaction tag [Fig. 13; C4 12-L16; C16 L19-20]; and sending the digital image to one or more viewers (participants) [C6 L26-L39]. However, Woolston, explicitly, does not disclose transaction tag being visible within digital image. It is well known that the driver license and many ID Badges (visible by wearing it in office building) are coded with pictures of the drivers (people) and car registration tags are coded with bar code to be visible on car window. Further, in auto-auctions each car is tagged with a number as an identifier visible on windows to be referred by the buyer/seller. Additionally, real estate advertisement found on-line, news papers, at street corner or faxed by an agent provide detail specification of the property, sketches and/or picture (image) affixed with it to enable the buyer to visualize what he/she is considering or buying. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Woolston and include an instruction to post the image with item together to allow the user (buyer) to easily associate (identify) the item he/she refers to and minimize confusion and to aid posting.

Re. Claim 2, Woolston discloses accepting a bid from the buyer for the goods; and notifying the seller that the bid from the buyer is winning bid in an online auction [C6 L26-L49; C20 L65-67; C26 L15-L17].

Re. Claim 6, Woolston, explicitly, does not disclose generating a transaction identifier for the transaction, wherein the transaction identifier provides an association between the transaction and electronic communication regarding the transaction. However, invoice numbers are well known to track transactions and commonly used by the seller and buyer to communicate about a particular transaction.

Re. Claim 7, Woolston, discloses generating encrypted information to be included on the transaction tag (bar code are encrypted information) [C17 L30-L45].

Re. Claim 8, Woolston, discloses physically shipping [C3 L35-L36] but, explicitly, does not discloses creating a physical transaction tag and mailing the physical transaction tag to the seller. However, creating tags (driver license and ID badges) and mailing them are well known and are prior art.

Re. Claim 9, Woolston discloses storing the transaction tag in an electronic document (image processing and storage) [C15 L8-L10]; and electrically delivering the electronic document containing the transaction tag to the seller (email) [C6 L67 to C7 L2]. It is well

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known that electronic documents such as pictures, images and drawings routinely are attached to email and send to recipients.

Re. Claims 10-15, 19-28, & 32-39, these claims are parallel claims to ^{1-2 and 6-9} ~~4-9~~ and therefore they are rejected with same rational and reference stated in rejections of claims 1-2, 6-9. <sup>3-10-04
SZ</sup>

Claims 3-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Woolston in view of Shkedy (US 6,260,024).

Re. Claims 3-5, Woolston discloses notifying the buyer that the bid from the buyer is winning bid in the online auction [C6 L26-L49; C20 L65-67; C26 L15-L17; C20 L32-L67]. Woolston, explicitly, does not disclose in response to accepting payment for the goods from buyer, notifying the seller of payment for the goods; holding the payment in escrow, and receiving an acceptance message, wherein the acceptance message indicates an acceptance of goods received from the seller by the buyer; and releasing payment for the goods to the seller, and receiving a rejection message, wherein the rejection message indicates a rejection of goods received from the seller by the buyer; and returning payment for the goods to the buyer. However, Shkedy discloses in response to accepting payment for the goods from buyer, notifying the seller of payment for the goods; holding the payment in escrow [Fig. 2; Abstract; Fig. 2, 10-11, 16; C3 L9-L15; C6 L53-L63; C11 L4-L12; C17 L62-L63], receiving an acceptance message,

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wherein the acceptance message indicates an acceptance of goods received from the seller by the buyer; and releasing payment for the goods to the seller [C19 L9-L15], and receiving a rejection message, wherein the rejection message indicates a rejection of goods received from the seller by the buyer and returning payment for the goods to the buyer [C19 L9-L15] to allow the seller to transfer the goods to buyer. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine disclosures of Woolston and Shkedy to delivered goods and meet all conditions and terms of the contract and If the goods meet the conditions, payment is transferred to the seller.

Re. Claims 16-18 and 29-31, these claims are parallel claims to 3-5 and therefore they are rejected with same rational and reference stated in rejections of claims 3-5.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR ' 1.111 (c) to consider the references fully when responding to this action.

US 5,870,723 to Pare, Jr. et al, Feb. 9, 1999 "Tokenless biometric transaction authorization method and system", this invention discloses a method and system for tokenless authorization of commercial transactions between a buyer and a seller using a computer system, a transaction is proposed by a seller, and the buyer signals his acceptance, forming a commercial transaction message where commercial transaction message is forwarded to the computer system and if the computer system successfully

identifies the buyer, a financial account of the buyer is debited and a financial account of the seller is credited, and the results of the transaction are presented to both buyer and seller, as a result of the invention, a buyer can conduct commercial transactions

US 5,890,140 to Clark et al, Mar. 30, 1999 "System for communicating with an electronic delivery system that integrates global financial services", this invention discloses a system for communicating with a global electronic delivery system that integrates a plurality of financial services provided at different geographical locations and in different time zones, and delivery such services directly to a customer facility at any time requested by the customer.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 703-305-4694. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Sough can be reached on 703-308-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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Harish T Dass *HTD*

Examiner

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